

Taxes v. 11

THOUGHTS

ON THE

Pernicious Consequences

OF

BORROWING MONEY,

WITH A

PROPOSAL

For Raifing a

SUPPLY for the CURRENT SERVICE.

Also for taking off Part of our

PRESENT LOAD of TAXES,

AND

Decreasing the NATIONAL DEBT

BY

ANNUITIES on LIVES.

L O N D O N:

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THOUGHTS

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OF

BORROWING MONEY, &c.

IT is generally imagined that our National Debt is near *eighty* millions; should it ever rise to a *hundred*, Necessity which is stronger than any other *Obligation*, must force this kingdom to throw off the burthen. — This will involve thirty to fifty thousand persons in great Distress; and yet it is far better, than that the whole nation should be *undone*. — Such an alternative is dreadful: the bare apprehension of

it ought to inspire us with resolutions to seek for relief by all possible means, and if we examine, we shall find that relief is in our hands. Our ambitious neighbours are too well acquainted with our weak part, to neglect any opportunity to compel us to increase our publick expences: — They flatter themselves that our load of taxes will press us down, and hope by enhancing the price of our manufactures to be enabled to undersel us at foreign markets.

From the Integrity, Skill and Attention, of those who are now placed at the Helm, it may be presumed that the most salutary measures will be adopted; and that every rational attempt to promote the safety and honour of the Nation will be received with all the regard it is intitled to. — The following scheme is therefore proposed; and in order to view it in a clear light, it will be proper to examine how our debt and taxes stood before the present War.

The amount of the National debt as it stood at the end of the year 1750. was — — — — — £. 75,000,000
Interest

Account of Interest at 4 *per* } 3,001,154
Cent. as it then stood

The produce of the sinking fund } 1,274,171
 for that year was, ———

From which, deducting the amount of several sums taken from thence to make up deficiencies in other taxes, and also to pay the annuities on several sums borrowed on it, in all ——— 368,660

There remained net — 905,511

As it would exceed the intended size of this scheme, to give a particular account of each duty and tax; I shall only draw a short state, which will answer the same end, the foregoing account being the basis of my calculations.

The amount of the several }
 duties and taxes, appropriated to } 3,001,154
 the payment of the national debt, }
 as already allowed, is, — —

The neat produce of the sinking fund ——— } 905,511

Malt tax unappropriated generally laid at ——— } 750,000

Total net produce of duties and taxes, ——— } 4,656,665

This,

This, with the civil list revenue, and a land-tax of one, two, three, or four shillings in the pound, has not been sufficient to relieve the nation, nor answer the purposes of the state ; on the contrary, the debt has increased during every war, ever since we began to *borrow* ; and this method of procuring money, has almost betrayed us into destruction.

It is therefore proposed, that the several duties, and taxes on *luxury*, and such others as shall be deemed least hurtful to our trade and manufactories, amounting in the whole to 2,500,000 l. per ann. clear of all expences of collecting, as also the *civil list* revenue be *continued* ; and that all others, amounting to 2,170,000 l. per ann. be entirely *abolished* ; and the expence of collecting, which is very considerable, will of course cease.

Upon this principle an *equal land-tax* must be laid on all lands, houses, &c. at their *full yearly value* ; and also on all *stock-annuities*, *mortgages*, *judgments*, places and pensions ; the whole amount of which yearly value,

value, is generally computed at above thirty millions. But, not to exceed the reality, suppose it to be (clear of all charges of collecting) twenty five millions only.

		£.
The produce of this sum, at	}	625,000
Sixpence in the Pound is		
At One Shilling. —		1,250,000
At Two Shillings. —		2,500,000
At Three Shillings. —		3,750,000
At Four Shillings. —		5,000,000

The current yearly expence of this nation, in time of *peace*, may be computed as follows :

		£.
For the navy 10,000 men. —		800,000
For 20,000 men for guards, gar-	}	600,000
rifons, &c. — —		
To which may be added the pay	}	450,000
of 60,000 militia, one day		
in the week, as proposed.		
Interest on the national debt,	}	2,400,000
which I suppose at present to be		
eighty millions, at 3 <i>per cent</i> .		
		—————
In all		4,250,000
		To

To answer which,	£.
By duties and taxes allowed to subsist on the foregoing scheme	} 2,500,000
By an equal land tax as proposed, at 2 s. in the pound, —	} 2,500,000
In all	5,000,000

Which makes an excess of 750,000 *l.* to answer any exigencies that may arise.

In order to see how this scheme might answer in time of war, it is proper to make an estimate of the expence, which may be computed as follows :

	£.
For 45,000 seamen. —	2,260,000
For 38,056 men for guards and garrisons, &c. —	} 1,123,588
For 11,550 marines. — —	206,806
For 60,000 militia. —	450,000
For the ordinary of the navy.	216,940
For the office of ordnance for the land service. — —	} 165,500
Interest on eighty millions.	2,400,000
In all	6,822,834
To	

To answer which,	£.
By duties and taxes, as before,	2,500,000
By a land-tax at 4 s. in the pound	5,000,000
In all	7,500,000

Which makes an excess of 677,166 l. to answer emergencies. By this it plainly appears, that two shillings in the pound land-tax proposed, in time of peace, and four shillings in time of war, will be sufficient; unless something very extraordinary should happen.—As the nation would not thus be subject to run in debt, what an assurance it would afford of the stability of our funds! It would fix them at almost a certain value; at least they would not be subject to such changes as now they are; nor would the state be reduced to the deplorable necessity of depending on *stock-jobbers*, who, in proportion to the distresses of the publick, boldly dictate in what manner it shall be relieved,

If there should be any doubt of the land-tax producing the annual revenue here calculated, or if it cannot yet be demonstrated

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what the certain revenue is ; it would not be prudent to abolish *immediately* above the amount of *one* million of the most burthensome taxes ; for instance, those on coals, candles, soap, salt, and such like ; the remaining taxes would not only help out any deficiency that might arise, but also supply any extraordinary emergency.

Upon this principle, the amount of the land-tax, at four shillings in the pound, with the duties and taxes then remaining, would be near *nine millions*. It may be said, that this is not sufficient to carry on a war, for we spent ten millions a year towards the end of the last war.—Let any one look at the foregoing scheme, and point out what further strength we shall want by *sea* or *land*, and he will find above a million and a half extraordinary to defray the expence of it.—If we enquire into the manner of our raising money in former wars, and many of the *extravagant expences* attending it, the seeming paradox will be easily explained. He must be a bad calculator who does not find, that the government actually paid twenty four *per cent.* for money raised in the second year of the last

French

French war, though it was seemingly borrowed at 4 *per Cent.* and this must ever be the case with borrowers in *distress*.

No man of a land Estate who duly considers that the welfare and prosperity of these kingdoms arise from trade, and that the value of lands rises or falls, as trade *flourishes* or *decays*, can imagine by lightening the burthen on land, and laying it on trade, he shall thereby become richer. — He may receive more rent for the year, but if he calculates the expence he is at for the *necessaries of life*, which become dear, in proportion as *trade* and *manufactures* are taxed; he will find in the issue that he has deceived himself.

To render this more intelligible, suppose a landed gentleman possesses an estate of an £ 100 *per annum*: when the land tax is at two shillings in the pound, probably by an unequal assessment he does not pay quite one shilling, which is £ 5. *per annum*. Now by the Scheme proposed he must pay the full two shillings, which is £ 10, and consequently he will ask what benefit he can possibly re-

ceive, by paying 5 *l.* extraordinary? — The answer is obvious; let him calculate how much he shall save in his *expences*, when the taxes he now pays on Coals, Candles, Soap, Salt, Windows, Shoe-leather, and many others, are taken off. — He must also calculate the advanced price he is obliged to pay to the *labourer*, whose *price* of labour must be proportioned to the taxes paid on these necessaries of life. Let him likewise consider how much abler his Tenants will be to pay his rents, and how much the value of his land will be enhanced.

The same reason will also hold for the stock-holder with regard to lowering the price of the *necessaries* of life; but it becomes *his* interest, *particularly*, to submit to a tax on his property, rather than the publick debt should be augmented to the imminent danger of losing his *Principal*, as well as *Interest*.

As to the *Mortgagee*, and *Judgment Creditor*, with regard to their property under such circumstances, they cannot receive *half* the benefit by abolishing taxes on the necessaries

ties of life, as the *landedman* and *stockholder*. The land from whence their *interest* proceeds is to pay the *full* tax. — The Riches that must necessarily flow from a reduction of taxes on trade and manufactures, will raise the value of land and stock, and proportionably decrease the interest of money on Mortgages and Judgments; therefore it may be asked whether these should be subject to the whole tax proposed. But this is a particular circumstance and does not fall strictly under this Speculation.

It is just and reasonable that all Annuities arising from lands, houses, or stocks, which are at present free from land tax, should be taxed in proportion to their *value*; as by taking off the several taxes proposed, such annuitants will receive a proportionable benefit. For instance; a landed estate of £. 300 a year, paying a £. 100 Jointure, or other Annuity free from land tax; is supposed when the land tax is at 2 s. to pay £. 15. and by this Scheme must pay the *full* 2 s. which is £. 30 *per annum*, ought not such annuitant

annuitant to pay a *third* part of the additional £ 15 hereby augmented?

In order to tax the several *mortgages* and *Judgments*, it is necessary to have a public Register in every county, as there is in *Middlesex* and *Yorkshire*; or a general one, as in *Ireland*, wherein all mortgages and judgments are to be entered. This would be an advantage to the landed man, as he would then be enabled to borrow money on his land, at as cheap a rate as those in *Middlesex* and *Yorkshire*; and it would also be of great service to the lender and purchaser, as thereby their debts and titles would be better secured.

It is also proper to lay an *adequate penalty* on all such persons, as shall give a *false* return of the *real* rents of their lands and houses. It is evident that the present method of assessing the land tax, by Commissioners, who tax themselves and their neighbours, will never answer the end proposed. To remedy this evil, it may be proper to have Assessors appointed by the Crown, with
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an appeal to the Assize or Session, to be finally determined by a *Jury* on oath.

To render a Scheme of this kind complete, a reasonable and practicable plan should be laid down for the Discharge of the *national debt*, which though it seems more proper to be attempted in a time of peace than war; yet to establish the welfare of the nation on the firmest basis, it might be wish'd it was carried into execution at once.

It is propos'd that *eight* millions be divided into annuities for *three* lives, at 5 *per Cent.* free from all taxes and deductions whatsoever. — *Eight* millions more for *two* lives, at 5 *per Cent*; and *eight* millions for *one* life at 6 *per Cent.* — The difference of which annuities, amounts to £ 600,000 *per Ann.* more than the interest now paid; which sum is not six pence in the pound on the land-tax propos'd. I suppose one person in twenty to die in a year, which in about ten years will reduce the annuities to 3 *per Cent*; after which,
what

whatever annuities drop in yearly, further annuities may be granted.

It would be a speedier method still, if as annuities drop in, the *additional fund*, were laid out for the same purposes. Thus we might pay off *forty* millions in about *thirty* years, and the whole debt in less than fifty years; though perhaps it would be thought convenient to leave a debt, not exceeding *twenty* millions, as a fund for the service of Widows, Orphans, &c.

It is probable this Scheme would be readily enter'd into by great numbers of single persons, or such as have only a wife and a child, or two children. Those who have but little might employ the whole, and those who are rich, a part. This Scheme would have this advantage of the sinking Fund, that if once appropriated, it could not well be applied to other purposes.

Many other arguments might be urged to prove the utility, and expediency of the foregoing scheme. — By taking off the Taxes pro-

proposed, our Manufactures would go to foreign markets at a much easier rate, which would be the surest method of checking the trade of *France*, and consequently of keeping their naval power within bounds. A great number of ships of war, can be of no great service without a sufficient number of mariners, and these can never be kept up in any state without an adequate trade.

It is generally computed that the Poors rate of this kingdom amounts annually to above one million and a half: And yet it is a general received opinion, that if one *third* part of this sum were properly applied, it would make a more effectual provision for the poor, than the *whole* as it now stands. For this purpose there might be County workhouses, where every person that can work should be properly employ'd; and those who are absolutely unable to work, should be taken such care of as humanity and charity dictate. — It is well known, that a person with one leg, and one arm, may be so employ'd as to earn his bread: for instance, in turning a rope-maker's wheel; in which, and other such branches

of business relating to shipping, if all the *poor*, and all the *vagabonds* and *street-beggars*, whose numbers, and shameful manner of living, are become a scandal to the nation, and *police* of this kingdom, were properly employed, this useless load might in time become a source of wealth to the nation.

When it is known that those who are able to work, will be obliged to do something for their maintenance, many will not be forward to throw themselves on the publick; but will look out for some way to get their own bread. Whether this business can be most easily effected by county workhouses, or workhouses established in every market-town, it is certain that if the landholder were eased in the *Poors rate*, he would be the better enabled to pay the land tax proposed.

If this, or any such scheme should take place, I hope the Legislators, in compassion to their fellow-creatures, will abolish the use of Gin. This infernal liquor has debauch'd the morals, ruin'd the constitutions, and impoverish'd the lower classes of the
people

people extremely. To use the emphatical expression of a common fellow to his comrade, who was in a wretched garb, *It has burnt the very clothes off their backs.*

It will, perhaps, be objected to the foregoing scheme, that it is not proper to attempt so great an *alteration* in our finances, in time of war; and that *experiments* of every kind are dangerous.—To me the very reverse appears in the strongest light. Our present *misfortunes*, — Our *debt* which must encrease like a *snow-ball*, and if borrowing be not timely prevented, dissolve in the same manner, demand some practicable scheme for redress.—Is there one man in this nation can say, we are now in the *right road*? Our misfortune has been, that our leaders have broke through ditch and hedge, to lead us *out* of the *right way*; and I hope we are not so blind, as to refuse returning by the plain and beaten track, which was constantly trod by our frugal ancestors.

The effect that this, or some such scheme, must necessarily produce to our credit, will be of more weight towards obtaining a safe and
honour-

honourable peace, than retaking Minorca or Oswego. If the French were to see that they could not plunge us deeper in debt, but on the contrary, that in the midst of *this* we took off part of the burthen laid on us in *former* wars, could they ever hope to ruin us by its continuance?—And in what an advantageous light must a step of this kind place this nation, in the eyes of the rest of the world! There is nothing new, extravagant, or unconstitutional in the scheme proposed: there is not a single part but has been already proposed by some of the ablest and wisest men in preceding parliaments, though perhaps the *Whole* of this scheme has not been yet recommended by any one.

There have been *wise and honest* ministers,—the phrase is a little antiquated, but I hope the present generation will be able to say, in spite of corruption, *there still are such*.—To them perhaps a scheme of this kind will not appear insuperably difficult. It seemingly abridges the *power* of a minister, at the same time that it takes off our taxes; I mean the power of doing injury to his country :

try: but a truly *wise and honest* minister, in a *free* British parliament, can never want any power his heart can wish, to do his country service. And what minister can pretend to do his country any real service, if he is obliged to be in a servile dependence on *money-lenders* for a continuance of his power! — Must he not, under such circumstances, consent to grind the face of the poor, to keep the rich in his interest, though he knows at the same time, that he is doing the greatest injury to his country? — Would we then *save* ourselves from perdition, we must concur in such measures as are most conducive to that end, though they should be a little ungrateful at the first trial.

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